

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MONTREAL LOCOMOTIVE WORKS, LIMITED

(An operating Company incorporated by Letters Patent dated June 19, 1902 under The Companies Act, 1902 of the Dominion of Canada, with head office in the City of Montreal, Province of Quebec, Canada)

Registers of transfers for the Common Shares are kept in Toronto, Montreal, Winnipeg, and Vancouver.

COMMON SHARES WITHOUT NOMINAL OR PAR VALUE (VOTING)

CAPITAL SECURITIES AS AT APRIL 23, 1946

| | Par Value | Authorized | Issued | Outstanding | Listing Applied For |
|-------------|-----------|------------|---------|-------------|---------------------|
| Common..... | None | 700,000 | 700,000 | 700,000 | 700,000 |

There is no contractual dividend rate.

Toronto, May 25th, 1946.

1. Montreal Locomotive Works, Limited (hereinafter referred to as the "Company") hereby makes application for the listing on The Toronto Stock Exchange of:

700,000 Common shares without nominal or par value, all of which are outstanding in the hands of the public.

All the said Common shares are fully paid and non-assessable, and no personal liability attaches to the holders thereof.

The duration of the Company's charter is not limited as to time.

2. HISTORY AND BUSINESS OF THE COMPANY

Montreal Locomotive Works, Limited was incorporated on the 19th June, 1902, under the laws of the Dominion of Canada, under the name of The Locomotive and Machine Company of Montreal (Limited). Its name was changed by Supplementary Letters Patent dated 5th February, 1908, to its present name, Montreal Locomotive Works, Limited, and from 1904 to 1946 it has been a wholly owned subsidiary of the American Locomotive Company, except for Directors' qualifying shares.

The Company's plant is efficiently equipped for the manufacture of steam locomotives for railway passenger, freight, switching and terminal use and for general industrial yard service. It also manufactures parts, especially high-grade steel forgings, for railroad, marine and industrial use, and various locomotive accessories. The facilities of the plant include machine, erecting, pattern, hammer, boiler, wheel, pipe, stoker, tender tank and truck, and stripping and shipping shops, together with a power plant, running shed and office and service buildings.

In the United States of America, American Locomotive Company and General Electric Company jointly manufacture diesel-electric locomotives sold by American Locomotive Company as "Alco-GE" Locomotives. Thirty-four Alco-GE Diesel Electric Switching Locomotives are already in use in Canada and an additional fourteen are now on order from American Locomotive Company. Montreal Locomotive Works, Limited is presently equipped to manufacture certain parts and for the assembly of those parts and other parts received from the United States into complete diesel-electric locomotives. It is expected that in time the demand in Canada for diesel-electric locomotives will justify the capital expenditures necessary to equip the plant for the manufacture of additional parts. The Company has built diesel engines for stationary use and is also equipped to manufacture diesel engines for switching locomotives and marine use.

The Company is also equipped to machine locomotive and car wheel tires, steel-tired wheels, continuous rolled rings, and other parts for railroad equipment and industrial use.

The Company has diversified production and plans to continue this policy on a larger scale. Already the plant has been equipped for and is engaging in the manufacture of pressure vessels, tubular equipment and heat transfer equipment which is sold in the petroleum, chemical, food, paper, power, marine and related fields. The Company is also equipped for the manufacture of certain types of mining machinery and is arranging for the manufacture of such machinery on behalf of another manufacturer.

This listing statement is a copy of the listing application made by the applicant company. The Exchange has received no consideration in connection with the issue of this listing statement other than the customary listing fee. The papers and exhibits submitted by the applicant company in support of the listing application are open for inspection at the general office of the Exchange.

The Company's plant has approximately 655,000 square feet of floor space on approximately 52 acres of land owned in fee simple. The shops are one-storey, steel frame, brick and wood or steel sash side wall construction with concrete or wood block floors, and have been well maintained and are in good operating condition. As at February 28th, 1946, the Company had approximately 2,330 employees.

Adjoining the Company's plant is a tank arsenal, owned by the Canadian Government and built for it by the Company during the war on land conveyed to it by the Company. The arsenal has been operated by the Company under agreements with the Canadian Government and profits from that service are included in those shown in the statement of profits set out herein. Production at the arsenal has now ceased. The Company has purchased certain machinery in the arsenal which is suitable for the manufacture of the Company's products.

The facilities of the Company are available for competitive business from any country in the world.

3. AUTHORITY FOR AND PURPOSES OF ISSUE OF OUTSTANDING SHARES

The Company was incorporated with an authorized capital of 10,000 shares of the par value of \$100 each, of which 4,000 shares were, by Special By-law No. 40, duly enacted by the Board of Directors of the Company on the 25th day of July, 1902, and duly sanctioned by the shareholders of the Company on the 25th day of July, 1902, authorized to be issued as Preference shares.

Supplementary Letters Patent were granted to the Company on October 24th, 1903, increasing its authorized capital by 20,000 additional shares of the par value of \$100 each, of which 8,000 shares were, by Special By-law No. 45, duly enacted by the Board of Directors of the Company on the 31st day of October, 1903, and duly sanctioned by the shareholders of the Company on the 18th day of May, 1904, authorized to be issued as Preference shares.

All of the 12,000 Preference shares and 18,000 Ordinary shares constituting the authorized capital of the Company prior to April 23, 1946, were allotted and issued from time to time between the date of incorporation of the Company and the 14th day of January, 1908. The net proceeds received by the Company in consideration for the issue of the said 12,000 Preference shares was \$280,500 in lawful money of Canada and the cancellation of indebtedness of the Company to the extent of \$919,500. The net proceeds received by the Company for the issue of the said 18,000 Ordinary shares was the cancellation of indebtedness of the Company to the extent of \$1,800,000.

On April 23rd, 1946, Supplementary Letters Patent were granted to the Company changing all of its authorized and outstanding fully paid and non-assessable 12,000 Preference shares and 18,000 Ordinary shares of the par value of \$100 each into 700,000 fully paid and non-assessable Common shares without nominal or par value.

4. VOTING

Each Common share carries one vote at meetings of shareholders.

5. OPINION OF COUNSEL

Messrs. Ralston, Kearney, Duquet & MacKay, Solicitors, The Royal Bank Building, Montreal, Quebec, have passed on the legality of the organization of the Company and, in their opinion, the 700,000 Common shares without nominal or par value of the capital stock of the Company have been validly issued and the said shares are fully paid and non-assessable. A copy of the opinion is on file with The Toronto Stock Exchange.

6. SUBSIDIARY COMPANIES

The Company has no constituent subsidiary owned or controlled companies.

7. FUNDED DEBT

There are no mortgages or other funded indebtedness outstanding against the Company.

8. DIVIDENDS

The following dividends have been declared and paid during the past five years:

| | Payable on | |
|--|-------------------------------------|-----------------------------------|
| | Preference Shares of the Company | Ordinary Shares of the Company |
| Paid to shareholders of record February 5, 1946..... | \$42.00 per share | |
| Paid to shareholders of record March 14, 1946..... | | \$55.00 per share |
| Paid to shareholders of record April 16, 1946..... | \$1.50 per share | |
| Paid to shareholders of record April 16, 1946..... | | \$28.00 per share |

9. OPTIONS AND UNDERWRITINGS

There are no outstanding options, purchase warrants, underwritings or sales agreements granted by the Company, with the exception, however, that on April 23rd, 1946, the Company agreed with A. E. Ames & Co. Limited and Greenshields & Co. Inc. not to sell or offer for sale without their consent any further Common shares of its capital stock for a period of six months from the date of delivery to them (May 6th, 1946) of the Common shares purchased by them from American Locomotive Company.

10. LISTING ON OTHER STOCK EXCHANGES

Application has been made for the listing of the 700,000 Common shares without nominal or par value of the capital stock of the Company on the Montreal Stock Exchange.

11. SECURITY COMMISSION REGISTRATION

Receipt of the material required under The Securities Act, 1945, with respect to the sale of the shares of the Company in the Province of Ontario was acknowledged by the Ontario Securities Commission on April 24th, 1946, with responsibility for the compliance with all the provisions of The Securities Act, 1945, resting entirely with the applicant.

12. FISCAL YEAR

The fiscal year of the Company ends December 31st.

13. ANNUAL MEETING

By-law No. 53 of the By-laws of the Company provides that the Annual General Meeting of the shareholders of the Company shall be held at the head office of the Company or at such other place within Canada and on such date and at such time (not later than four months reckoning from the end of the Company's fiscal year) as may be fixed from time to time by resolution of the Board of Directors.

14. HEAD OFFICE

The head office of the Company is located at 215 St. James Street West, Montreal, Quebec, and the plant of the Company is located at Longue Pointe, Quebec.

15. TRANSFER AGENT

The Transfer Agent is The Royal Trust Company at Toronto, Ontario; Montreal, Quebec; Winnipeg, Manitoba; and Vancouver, British Columbia.

16. REGISTRAR

The Registrar is Montreal Trust Company at Toronto, Ontario; Montreal, Quebec; Winnipeg, Manitoba; and Vancouver, British Columbia.

17. OFFICERS

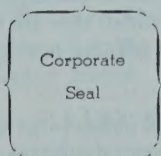
| | | |
|-------------------------------|---|---|
| Chairman of the Board..... | Duncan W. Fraser..... | 30 Church Street, New York City, N.Y. |
| President..... | Robert B. McColl..... | 30 Church Street, New York City, N.Y. |
| Executive Vice-President..... | Sir C. Frederick Carson, Kt., C.B.E., M.C. | 215 St. James Street West, Montreal, Que. |
| Comptroller..... | James D. Vaughan..... | 30 Church Street, New York City, N.Y. |
| Secretary..... | Carl A. Sundberg..... | 30 Church Street, New York City, N.Y. |
| Treasurer..... | Herman Press..... | 30 Church Street, New York City, N.Y. |

18. DIRECTORS

The following named individuals are the Directors of the Company:

| | |
|---|---|
| The Honourable Charles C. Ballantyne, P.C. Industrialist | 3484 Upper Mountain Street, Montreal, Que. |
| Sir C. Frederick Carson, Kt., C.B.E., M.C. Executive Vice-President, Montreal Locomotive Works, Limited | 215 St. James Street West, Montreal, Que. |
| F. D. Chapman Director, A. E. Ames & Co. Limited | 360 St. James Street West, Montreal, Que. |
| Frank J. Foley Company Executive | 30 Church Street, New York City, N.Y., U.S.A. |
| Duncan W. Fraser Chairman of the Board of American Locomotive Company | 30 Church Street, New York City, N.Y., U.S.A. |
| Charles J. Hardy Chairman of the Board of American Car & Foundry Company | 30 Church Street, New York City, N.Y. U.S.A. |
| Richard O. Johnson Partner, Greenshields & Co. Inc. | 507 Place d'Armes, Montreal, Que. |
| Robert B. McColl President of American Locomotive Company | 30 Church Street, New York City, N.Y., U.S.A. |
| William S. Morris Company Executive | 30 Church Street, New York City, N.Y., U.S.A. |
| The Honourable J. L. Ralston, P.C., K.C., C.M.G., D.S.O., Advocate | LL.D., D.C.L.....360 St. James Street West, Montreal, Que. |
| Albert H. Wiggin Gentleman | 65 Broadway, New York City, N.Y., U.S.A. |

19. Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing of the above mentioned 700,000 shares without nominal or par value on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



MONTREAL LOCOMOTIVE WORKS, LIMITED.

R. B. McCOLL, *President.*

C. A. SUNDBERG, *Secretary.*

DISTRIBUTION OF STOCK

Distribution of No Par Common Stock on 25th May, 1946

| Number | Shares |
|--|---------------------------|
| 2,285 Holders of 1 - 100 share lots..... | 100,671 |
| 198 " " 101 - 200 " "..... | 30,610 |
| 67 " " 201 - 300 " "..... | 17,770 |
| 33 " " 301 - 400 " "..... | 11,150 |
| 34 " " 401 - 500 " "..... | 15,980 |
| 34 " " 501 - 1000 " "..... | 25,515 |
| 16 " " 1001 - up " "..... | 498,304 |
| 2,667 Stockholders. | Total shares..... 700,000 |

FINANCIAL STATEMENTS

BALANCE SHEET—December 31, 1945

ASSETS

CURRENT ASSETS:

| | |
|--|-----------------|
| Cash..... | \$ 5,018,440.67 |
| Dominion of Canada Bonds, at cost (market value \$2,203,850.00)..... | 2,200,000.00 |
| Other Securities, at realizable value..... | 1,346.53 |
| Accounts Receivable: | |
| Trade..... | \$2,491,279.56 |
| Miscellaneous..... | 8,944.51 |
| | \$2,500,224.07 |
| Less: Reserve for Doubtful Accounts..... | 1,816.47 |
| | \$2,498,407.60 |
| Unbilled charges on contracts with Dominion Government and others..... | 154,122.14 |
| INVENTORIES, at cost not in excess of market: | 2,652,529.74 |
| Materials and Supplies..... | \$ 688,453.52 |
| Work in Process..... | 2,287,025.60 |
| | 2,975,479.12 |
| TOTAL CURRENT ASSETS..... | \$12,847,796.06 |

ASSETS UNDER GOVERNMENT MANAGEMENT CONTRACTS—*contra*.....

766,452.52

REFUNDABLE PORTION OF EXCESS PROFITS TAX..... 3,520,407.59

FIXED ASSETS, on basis of cost:

| | |
|---|-----------------|
| Land..... | \$ 74,490.00 |
| Buildings, machinery and equipment..... | \$6,763,025.73 |
| Less: Reserve for Depreciation..... | 4,579,669.80 |
| | 2,183,355.93 |
| Patterns, Drawings and Dies..... | 340,000.00 |
| | 2,597,845.93 |
| DEFERRED CHARGES..... | 65,814.22 |
| | \$19,798,316.32 |

LIABILITIES

CURRENT LIABILITIES:

| | |
|---|-----------------|
| Accounts Payable—Trade..... | \$ 840,752.59 |
| Accounts Payable—American Locomotive Company..... | 420,347.30 |
| Accrued Payroll, Expenses and Other Items..... | 215,901.76 |
| Accrued Taxes, other than Income Taxes..... | 5,012.83 |
| Advances on Locomotive Contracts..... | 2,605,158.86 |
| Estimated Income and Excess Profits Taxes and Refunds on Renegotiation..... | 5,107,811.70 |
| TOTAL CURRENT LIABILITIES..... | \$ 9,194,985.04 |

LIABILITIES UNDER GOVERNMENT MANAGEMENT CONTRACTS—*contra*.....

766,452.52

RESERVES:

| | |
|---|-------------|
| Accident Indemnity..... | \$ 4,619.40 |
| Repairs and Replacements of Tools, Jigs, etc..... | 246,337.87 |
| Other Miscellaneous Reserves..... | 34,855.57 |
| | 285,812.84 |

CAPITAL STOCK:

| | |
|--|----------------|
| Authorized and Issued: | |
| 6% Cumulative Preferred Shares—12,000 shares of \$100.00 each..... | \$1,200,000.00 |
| Ordinary Shares—18,000 shares of \$100.00 each..... | 1,800,000.00 |
| | 3,000,000.00 |

RESERVE FOR WAR AND OTHER CONTINGENCIES..... \$2,665,360.49

EARNED SURPLUS..... 3,885,705.43

\$19,798,316.32

- Notes—1. Dividends on the 6% Cumulative Preferred Shares are in arrear from January 1, 1939, to December 31, 1945, and such arrears amounted at December 31, 1945, to \$42.00 per share, or a total amount of \$504,000.00.
2. The Balance Sheet is after giving effect to (a) renegotiation of profits on war contracts for the years 1941 to 1944 inclusive, as agreed upon with the Dominion Government, and (b) an estimate of refund which may be payable for the year 1945 calculated on the sale basis as the refunds determined for the prior years.

AUDITORS' CERTIFICATE

To the Directors,
Montreal Locomotive Works, Limited.

We have examined the above Balance Sheet of Montreal Locomotive Works, Limited as at December 31, 1945, and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us.

231 St. James Street, Montreal.
March 30, 1946.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,
Accountants and Auditors.

PRO FORMA BALANCE SHEET AS AT DECEMBER 31, 1945

After giving effect as at that date to:

- The payment of arrears of dividends on the then outstanding 6% Cumulative Preferred Shares (\$100.00 par value per share) and a dividend thereon for the quarter ending March 31, 1946, amounting in all to \$522,000.00.
- The payment of dividends on the then outstanding Ordinary shares (\$100.00 par value per share) amounting to \$1,494,000.00.
- The issuance of Supplementary Letters Patent of the Company providing for the conversion of the two classes of shares mentioned in (a) and (b) above into 700,000 Common shares without nominal or par value.
- The transfer to Earned Surplus of the balance of the reserve for war and other contingencies not now required.

ASSETS

CURRENT ASSETS:

| | | |
|--|----------------------------------|------------------------|
| Cash..... | | \$ 3,002,440.67 |
| Dominion of Canada Bonds, at cost (market value \$2,203,850.00)..... | | 2,200,000.00 |
| Other Securities, at realizable value..... | | 1,346.53 |
| Accounts Receivable: | | |
| Trade..... | \$2,491,279.56 | |
| Miscellaneous..... | 8,944.51 | |
| | <u>\$2,500,224.07</u> | |
| Less: Reserve for Doubtful Accounts..... | 1,816.47 | |
| | <u>\$2,498,407.60</u> | |
| Unbilled charges on contracts with Dominion Government and others..... | 154,122.14 | 2,652,529.74 |
| INVENTORIES, at cost not in excess of market: | | |
| Materials and Supplies..... | \$ 688,453.52 | |
| Work in Process..... | 2,287,025.60 | 2,975,479.12 |
| | <u>TOTAL CURRENT ASSETS.....</u> | <u>\$10,831,796.06</u> |

ASSETS UNDER GOVERNMENT MANAGEMENT CONTRACTS—*contra*..... 766,452.52

REFUNDABLE PORTION OF EXCESS PROFITS TAX..... 3,520,407.59

FIXED ASSETS, on basis of cost:

| | | |
|---|---------------------|------------------|
| Land..... | \$ 74,490.00 | |
| Buildings, machinery and equipment..... | \$6,763,025.73 | |
| Less: Reserve for depreciation..... | 4,579,669.80 | |
| | <u>2,183,355.93</u> | |
| Patterns, drawings and dies..... | 340,000.00 | 2,597,845.93 |
| | | <u>65,814.22</u> |

DEFERRED CHARGES.....
\$17,782,316.32

LIABILITIES

CURRENT LIABILITIES:

| | |
|---|---------------------------------------|
| Accounts Payable—Trade..... | \$ 840,752.59 |
| Accounts Payable—American Locomotive Company..... | 420,347.30 |
| Accrued Payroll, Expenses and Other Items..... | 215,901.76 |
| Accrued Taxes, other than Income Taxes..... | 5,012.83 |
| Advances on Locomotive Contracts..... | 2,605,158.86 |
| Estimated Income and Excess Profits Taxes and Refunds on Renegotiation..... | 5,107,811.70 |
| | <u>TOTAL CURRENT LIABILITIES.....</u> |

\$ 9,194,985.04

LIABILITIES UNDER GOVERNMENT MANAGEMENT CONTRACTS—*contra*..... 766,452.52

RESERVES:

| | |
|--|-------------|
| Accident Indemnity..... | \$ 4,619.40 |
| Repairs and Replacement of Tools, Jigs, etc..... | 246,337.87 |
| Other Miscellaneous Reserves..... | 34,855.57 |

CAPITAL STOCK:..... 285,812.84

Authorized and Issued:

700,000 Common shares without nominal or par value..... 3,000,000.00

EARNED SURPLUS (of which the refundable portion of excess profits tax amounted to \$3,520,407.59) 4,535,065.92

\$17,782,316.32

Note—The Balance Sheet is after giving effect to (a) renegotiation of profits on war contracts for the years 1941 to 1944 inclusive, as agreed upon with the Dominion Government, and (b) an estimate of refund which may be payable for the year 1945 calculated on the same basis as the refunds determined for the prior years.

AUDITORS' CERTIFICATE

To the Directors,
Montreal Locomotive Works, Limited.

We have examined the above Pro Forma Balance Sheet of Montreal Locomotive Works, Limited, as at December 31, 1945, and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs after giving effect as at that date to the changes set forth in notes (a) to (d) in the heading to the above Balance Sheet.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,
Accountants and Auditors.

231 St. James Street, Montreal.
March 30, 1946.

STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1945

| | |
|---|-----------------------|
| Balance, January 1, 1945..... | \$2,579,500.64 |
| <i>Add:</i> | |
| Adjustments affecting prior years..... | 103,294.09 |
| Net Profit for the Year, including Refundable Portion of Excess Profits Tax | 1,803,861.40 |
| | <u>\$4,486,656.13</u> |
| <i>Deduct:</i> | |
| Net Amount Transferred to Reserve for War and other contingencies, etc. | 600,950.70 |
| Balance, December 31, 1945..... | <u>\$3,885,705.43</u> |

PRO FORMA STATEMENT OF EARNED SURPLUS AS AT DECEMBER 31, 1945

After giving effect as at that date to:

- The payment of arrears of dividends on the then outstanding 6% Cumulative Preferred shares (\$100.00 par value per share) and a dividend thereon for the quarter ending March 31, 1946, amounting in all to \$522,000.00.
- The payment of dividends on the then outstanding Ordinary shares (\$100.00 par value per share) amounting to \$1,494,000.00.
- The transfer to Earned Surplus of the balance of the Reserve for War and other contingencies not now required.

| | |
|---|-----------------------|
| Balance per Balance Sheet as at December 31, 1945..... | \$3,885,705.43 |
| <i>Add:</i> | |
| Balance of Reserve for War and other contingencies, not now required..... | 2,665,360.49 |
| | <u>\$6,551,065.92</u> |
| <i>Deduct:</i> | |
| Dividends: On Preferred shares..... | \$ 522,000.00 |
| On Common shares..... | 1,494,000.00 |
| | <u>2,016,000.00</u> |
| Balance per Pro Forma Balance Sheet as at December 31, 1945..... | <u>\$4,535,065.92</u> |

STATEMENT OF EARNINGS

Messrs. Deloitte, Plender, Haskins & Sells report on the annual net earnings of the Company for the ten years ended December 31, 1945 as follows:

To the Directors,
Montreal Locomotive Works, Limited.

We have made an examination of the books and accounts of the Montreal Locomotive Works, Limited, for the ten-year period ended December 31, 1945. In connection therewith we examined or tested accounting records in a manner and to an extent considered necessary by us but we did not make a detailed audit of the transactions during the period. We received all the information and explanations required by us.

Based upon such examination we report that in our opinion the following Statement of Profits represents to the best of our knowledge and belief the profits of the Company for the years specified after providing for depreciation in the amounts set forth and for income and excess profits taxes at the various rates in force during the respective years.

| Year ended December 31 | Profit from Operations (including fees received for operation of Government-owned Plant in 1941 to 1945) before providing for Depreciation and Income and Excess Profits Taxes | Provision for Depreciation, including in 1941 to 1943 inclusive Special Depreciation on war facilities | Provision for Income and Excess Profits Taxes (including estimated Refundable Portion of Excess Profits Taxes) at the then current rates | Net Profits available for dividends (excluding Refundable Portion of Excess Profits Taxes) | Estimated Refundable Portion of Excess Profits Taxes | Net Profits including estimated Refundable Portion of Excess Profits Taxes |
|------------------------|--|--|--|--|--|--|
| 1936..... | \$ 75,244.47 | \$124,456.00 | | \$ 49,211.53 Loss | | \$ 49,211.53 Loss |
| 1937..... | 781,147.75 | 143,109.21 | \$ 112,635.08 | 525,403.46 | | 525,403.46 |
| 1938..... | 497,641.38 | 127,729.71 | 66,908.87 | 303,002.80 | | 303,002.80 |
| 1939..... | 267,974.77 Loss | 119,774.00 | | 387,748.77 Loss | | 387,748.77 Loss |
| 1940..... | 773,547.32 | 117,004.00 | 245,690.93 | 410,852.39 | | 410,852.39 |
| 1941..... | 829,183.14 | 128,031.39 | 243,679.27 | 457,472.48 | | 457,472.48 |
| 1942..... | 3,473,135.28 | 322,345.95 | 2,564,622.78 | 586,166.55 | \$ 265,286.91 | 851,453.46 |
| 1943..... | 5,128,467.80 | 313,643.49 | 4,525,107.76 | 289,716.55 | 856,495.15 | 1,146,211.70 |
| 1944..... | 6,628,335.06 | 124,773.00 | 6,123,479.94 | 380,082.12 | 1,167,860.42 | 1,547,942.54 |
| 1945..... | 7,962,812.70 | 134,685.00 | 7,459,288.41 | 368,839.29 | 1,435,022.11 | 1,803,861.40 |

Notes—1. The above figures are after giving effect to (a) renegotiation of profits on war contracts for the years 1941 to 1944 inclusive, as agreed upon with the Dominion Government, and (b) an estimate of refund which may be payable for the year 1945 calculated on the same basis as the refunds determined for the prior years.

2. The figures for the years 1936, 1937, and 1938 include the results from operations carried on by Canadian Steel-Tire and Wheel Company Limited, which Company was absorbed by Montreal Locomotive Works, Limited, as of December 31, 1938.

Yours very truly,

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,

Accountants and Auditors.

231 St. James Street, Montreal.
March 30, 1946.

